

STATE OF WASHINGTON**OFFICE OF
INSURANCE COMMISSIONER****BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON**

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In the Matter of)	No. D 2000 - 63
Universal Surety of America,)	Consent Order Imposing a Fine
An Authorized Insurer)	

FINDINGS OF FACT;

1. Universal Surety of America ("Universal Surety") is authorized to write casualty insurance in Washington state.
2. Universal Surety is subject to Washington Administrative Code (WAC) 284-07-010(1), which requires each such insurer to complete a special liability report and to submit it to the Insurance Commissioner by May 1 of the year after the calendar year which is the subject of the report.
3. In December of 1999, the Office of the Insurance Commissioner (OIC) sent forms for this, together with instructions for filling them out, to authorized property and casualty insurers, including Universal Surety.
4. The OIC did not receive the required report from Universal Surety by May 1, 2000. On May 10, 2000, the OIC sent a letter to those authorized property or casualty insurers which had not filed special liability reports, including Universal Surety. This letter warned that any such insurer which had not filed its report with the OIC by June 1, 2000, the insurer would be liable to a fine of at least \$2500. There was no response from Universal Surety before June 1, 2000. On June 14, 2000, a staff attorney wrote to Universal Surety, pointing out that it was liable to a fine. Finally, on June 21, Universal Surety wrote a letter to the OIC, providing the overdue report.

CONCLUSIONS OF LAW:

1. The failure of Universal Surety to file its 1999 special liability report with the Insurance Commissioner by May 1, 2000 was a violation of WAC 284-07-010. It was also a violation of RCW 48.05.380, "Reports by property and casualty insurers-Rules" and of RCW 48.05.390, "Reports by various insurers- Contents."
2. WAC 284-30-650 provides that "It is an unfair practice for an insurer...to fail to respond promptly to any inquiry from the Insurance Commissioner relative to the business of insurance." That section also states that "A lack of response within fifteen business days from receipt of the inquiry will be considered untimely. A response must be in writing, unless otherwise indicated in the inquiry." RCW 48.30.010 prohibits unfair practices, including but not limited to violations of WAC 284-30-650.
3. RCW 48.05.140, "Certificate of authority- Discretionary refusal, revocation, suspension" provides in subsection (1) that the Insurance Commissioner is authorized to refuse, suspend or revoke an insurer's certificate of authority if the insurer "...Fails to comply with any provision of this code other than those for which refusal, suspension, or revocation is mandatory."
4. RCW 48.05.185, "Fine in addition to or in lieu of suspension, revocation or refusal" provides that "After hearing or with the consent of the insurer and in addition to or in lieu of the suspension, revocation or refusal to renew any certificate of authority, the Commissioner may levy a fine upon the insurer in an amount not less than two hundred fifty dollars and not more than ten thousand dollars."

CONSENT TO ORDER;

Universal Surety of America hereby stipulates to the foregoing Findings of Fact and Conclusions of Law and consents to this order, which imposes a fine of \$2500 (two thousand five hundred and no/100) upon Universal Surety for the violations described above, in lieu of further proceedings against the insurer's certificate of authority in Washington State. This fine will be paid in full within thirty days of the date when this order is entered in Lacey, Washington. Failure to pay the fine timely and in full will constitute grounds for suspension or revocation of the insurer's certificate of authority in Washington state, and the fine will be recovered in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

Universal Surety of America expressly stipulates to obey all insurance laws and regulations of Washington state in the future, including but not limited to WAC 284-07-010(1), RCW 48.05.380, RCW 48.05.390, and WAC 284-30-650.

EXECUTED this _____ day of _____, 2000.

Typed Name: _____

Typed Corporate Title: _____

Universal Surety of America

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner imposes a fine of \$2500 (two thousand five hundred and no/100) upon Universal Surety of America, expressly in lieu of proceedings against the certificate of authority it holds in Washington state. The fine is to be paid in full within thirty days after this order is entered in Lacey, Washington. Failure to pay this fine timely and in full will constitute grounds for suspension or revocation of the insurer's certificate of authority. It will also result in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT LACEY, WASHINGTON on this _____ day of _____, 2000.

DEBORAH SENN

Insurance Commissioner

William Kay Kirby

Assistant Deputy

Insurance Commissioner,

Legal Affairs Division